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PP RUEHWEB

DE RUEHPG #1401 3131235
ZNR UUUUU ZZH
P 091235Z NOV 06
FM AMEMBASSY PRAGUE
TO RUEHC/SECSTATE WASHDC PRIORITY 8227
INFO RUEHGB/AMEMBASSY BAGHDAD PRIORITY 0068
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY

UNCLAS PRAGUE 001401

SIPDIS

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STATE FOR EUR/NCE, EB/IFD/OMA, NEA/I

E.O. 12958: N/A

TAGS: [ECON](#) [EFIN](#) [EZ](#) [IZ](#)

SUBJECT: CZECH REPUBLIC: UNLIKELY TO FORGIVE BEYOND 80% OF
IRAQI DEBT

REF: A. STATE 184738
[1](#)B. STATE 181094
[1](#)C. PRAGUE 1373
[1](#)D. PRAGUE 1369

The Ambassador delivered reftel A demarche to the Minister of Finance on November 1 and to the Minister of Foreign Affairs on November 3, and both Ministers replied they would consider it, as reported in reftels C & D. The Ministry of Finance office handling this issue explained that while the GOCR had already agreed to forgive 80% of Iraq's sovereign external debt to the Czech Republic, it was not/not inclined to forgive the remaining 20% because the debt is military in nature and the GOCR does not wish to set a precedent in forgiving military debt.
GRABER